

DEVELOPING A RESEARCH APPROACH FOR THE FIRST TIME SMALL BUSINESS MANAGEMENT RESEARCHER.

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INTRODUCTION

This paper is presented within the context of a young lecturer taking up his first post within a university faculty and at the same time commencing research activity in the area of small business management. It is effectively a summary insight of work-in-progress with regard to development of small business research methodologies.

The paper examines the background of how the young researcher approached the role of first time small business researcher so as to not only attempt to circumvent major pitfalls and shortcomings associated with management research, but also to use the literature insight as to these shortcomings as a foundation from which to build a research approach based on the notion that there is a glove-tight relationship between advances in knowledge and the method of achieving those advances. The resultant output sees the young researcher with a foundation understanding of crucial issues regarding human resource management approaches within small businesses and methodological insight and understanding suitable for the continuing of his research in this area in the future.

The approach of the paper is to first draw on the relevant literature to highlight the major pitfalls and shortcomings in management research and in small business research in particular. Crucial findings are then utilised as frames of reference to signpost key issues the young researcher must accommodate in developing a research framework appropriate to his experiential status.

An alternative philosophical research foundation is then considered which addresses and bridges the differences inherent within traditional philosophical standpoints underpinning the two diverse management research camps - the quantitative and qualitative schools - thereby offering a basis for 'methodological rapprochement' which accommodates use of either methodologies.

Having justified the use of qualitative *and* quantitative research approaches in terms of philosophical foundations, an innovative methodology is developed which attempts to overcome major criticisms levelled at case study research as little more than 'common sense story-telling', and simultaneously addresses the difficulty of the new small business researcher commencing research from a base of inadequate or inappropriate knowledge. This is a particular problem if the new researcher has undertaken a large-company oriented business management course at first degree or masters level.

The paper concludes with a brief examination of the research methodology in action within the context of a case study approach focusing on the human resource management approaches within Malaysian SMI's, and ultimately demonstrates the potential use of the researchers foundation insights in his future research.

MAJOR PITFALLS AND SHORTCOMINGS IN MANAGEMENT RESEARCH

Management is a nascent discipline and the process of advancing knowledge therein is fraught with difficulties. Examination of the inherent difficulties and shortcomings of management research thus provides a foundation guiding insight for the new researcher with regard to formulating objectives and developing an appropriate research methodology. The following overview is indicative of relevant insight emphasised within the management literature (for a more comprehensive review see Wyer 1990, out of which this section builds):

a) *general pitfalls in management research*

i) Whitley (1984) emphasises the *fragmented* nature of social and behavioural science research with regard to the isolationist actions of individual research teams, and the *ad hoc* manner in which the development of theory tends to proceed.

ii) a tendency exists for contemporary researchers to draw on dated stylised models of managerial and firm behaviour whose origins derive from economic theorists, who themselves may have limited practical or first-hand insight of the behavior they have conceptualised. Thus the basis of any resultant insight is abstract theorising rather than development of knowledge through 'real-life' study of the decision-making process of actual firms (Kaplan 1984)

iii) Kimberly et al (1980) underline the '*decidedly static orientation in much of the literature*' on organisations. They argue that much of contemporary organisation theory is static, ahistorical and arid, emphasising that '*organisations are fluid and dynamic; they move in time and in space; they act and react*'. The focus of research tends toward the arrangement of the internal structural characteristics of the organisation and the way external factors *at a particular point in time* impinge on those characteristics and affect organisational performance.

Kimberly suggests several reasons for this static orientation:

- * most researchers only become involved with a subject organisation at a particular point in time, thus resulting in cross-sectional research. The tendency, therefore is for understanding of organisational life to be limited to that of organisational snapshots.

- * research emphasis on one particular time slice runs the risk of the study being over-personalised. Organisations tend to outlive individual members thus the researchers perspective has a static quality and so too does the data extracted from the organisational members.

- * many organisational researchers are socialised in the values of traditional science, thus giving emphasis to the importance of objectivity and empirical evidence and to the central role of verifiability and reproducibility. Researchers therefore tend not to trust their own intuition and judgements, preferring to rely on the tools of science to explain areas of interest. Often this results in the placing of a negative value on historical analysis and in-depth descriptive case studies.

- * much organisational research is sponsored by government agencies and large organisations. The time frame for the research and the kind of questions asked is constrained by objectives of deriving insights such as performance. Overall this tends to add further to the static nature of the research.

- * there is an incompatibility of researchers reward structures and the demands of longitudinal research. Cross-sectional research offers potential for rapid publication, longitudinal research a far more limited potential.

iv) theory of the firm is over-limited by the 'traditional' manner in which it places the firm in a generalistic operating environment - that is to say the capitalist economy in general. This effectively abstracts from the specific institutional features of a particular economy and/or the specific features of particular industry sub-sectors within that economy (Williams and Thompson 1983).

v) integral to many of the above shortfalls is suggestion of the need for exploratory research of a qualitative nature. And yet such a research approach is itself potentially problematic, with a common criticism emphasising case research approaches as producing 'little more than common-sense storytelling'.

b) *shortcomings specific to small business management research*

criticisms within the small business management literature include:

- i) O'Farrel and Hitchens (1988) underline the tendency in the industrial economics literature to assume implicitly that the small firm is a microcosm of a large enterprise, and thus how it fails to recognise that the small business is qualitatively as well as quantitatively different from the large company.
- ii) the lack of adequate foundation insight of many researchers (Gibb and Davies 1990).
- iii) the use of research paradigms from narrow academic disciplines and an under-utilisation of multi-disciplinary approaches, thereby potentially resulting in limited insights (Gibb 1992).
- iv) the use of research paradigms that have been developed from work within large organisations (Gibb 1992).
- v) use of terminology which may be foreign and over-technical for small firm owner-managers
- vi) a tendency to view *the* small business sector - that is to say a tendency to treat the small business sector as homogenous with little regard for consideration of key industry sub-sector specific characteristics. Inherent within this are difficulties relating to definition of what exactly is a small business and of comparison of research findings of particular studies which may not accommodate crucial differences in small firm operating environments.
- vi) an understandable tendency towards over-reductionism to gain results in data collection, which often cuts across concept, model or theory (Carson 1991, from Gibb and Davies 1990).
- vii) a failure to recognise a dichotomy between large company oriented theory and the informalities and idiosyncracies of small business management - for example, Carson (1991) calls for a research approach which accommodates the potential dichotomy between marketing theory and the practice of marketing in small firms

SIGNPOSTS FOR THE NEW SMALL BUSINESS RESEARCHER

The above potential pitfalls and shortcomings associated with the conducting of management research clearly offer themselves as signposts for the new small business management researcher in choosing of appropriate research objectives and an underlying research methodology which can allow for fulfillment of those objectives.

The interest of this particular new researcher (Nazri 1996) is human resource management within the small business - in particular his interest is one of ultimately moving toward a depth of understanding of HRM practices within Malaysian SMI's. By utilising the above insights he was able to highlight particular deficiencies and difficulties associated with his own current academic research status and personal profile to guide him toward identification of a research focus and development of a methodology which could move him some considerable way toward circumventing the pitfalls inherent within his future research task:

- i) the research was a part of a Masters course for tutors and much of the course content was large company management oriented. Two issues are integral to this situation. Firstly there was a need to ensure that his own knowledge-base was adequate and appropriate to foothold the approach to owner-managers in the real world of small business practice. Secondly, it was crucial to ensure that any attempts at enhancement of insight into human resource management did not proceed through reliance upon the essentially large company focused management knowledge-base without accommodating existing insight into the significant issues deriving out of the qualitative differences of small business management.

Clearly there was a need to develop toward an understanding of the informalities and idiosyncracies which characterise the small business management processes.

- ii) a crucial need, certainly, was to build up frames of insight to inform development of an appropriate methodology. However, a natural tendency is to concentrate significantly, if not fully, on ones own academic discipline. The researcher was able to recognise the limitations of this and thus of the need to enhance his base understanding of the small business from a literature base which transcended his own academic specialisation and from interface with key informants specialising in the small business management field.
- iii) the young researcher was able to identify the immediate need to clarify *definition* of small business and of SMI. Firstly to provide insight into the parameters of his study; and secondly as a guideline when interpreting the variety of existing small business research studies which he was able to draw on to enhance his own existing knowledge-base. Similarly, he proceeded from a base of awareness of a need to be diligent as to the focus of the studies he was examining in terms of industry sub-sector and the nature of particular enabling/constraining forces within that sub-sector - and with regard to the underlying strengths and weaknesses within the methodologies used to produce the findings of those studies.
- iv) an awareness of the fragmented and ad hoc nature of much of existing management research alerted the researcher to the need for comprehensive search in order to unearth previous study capable of underpinning his own research in an integrated manner - though the extent to which this is workable in practice within the constraints of a Masters dissertation research programme is debatable.
- v) the identified need to deepen his commencing insight and understanding with regard to the operation of small business led to enhanced understanding of the need to accommodate within his research the character and personality of the owner-manager together with the inherent flexibilities and informalities of small business management. This in turn, when considered alongside the shortcomings of formalistic deductive research approaches, led to identification of the potential value of an approach based on in-depth case study which may even need to incorporate subjective interpretation - a research study of a predominantly 'exploratory' and 'descriptive' nature (see Carson 1991).

GAINING ACADEMIC ACCEPTANCE OF CASE STUDY (INDUCTIVE HEURISTIC) AND OF CROSS-SECTIONAL SURVEY (FORMALISTIC DEDUCTIVE) RESEARCH METHODOLOGIES

Much of the debate regarding the role accorded to 'quantitative' and 'qualitative' research methods relates to what are acceptable *epistemological* (theories of knowledge) and *ontological* (theories of reality) positions. This section, drawing on Archer 1988 and Wyer 1990, firstly exams traditional philosophical standpoints which underpin approaches to research and then concludes with consideration of the potential to move away from such standpoints and their inherent constraining inputs into contemporary management research.

a) traditional philosophical standpoints

positivism and *normativism* are two opposing epistemological standpoints. The adoption of a position of positivism requires acceptance of the view that an epistemological distinction can be made between *fact* and *value*, that value-free knowledge is possible. Normativism is based on the possibility of deriving conclusions expressing a value judgement, and thus dismisses the fact-value distinction completely.

External realism (traditional realism) and *realism* are diverse ontological standpoints. External realism is an objective view where reality is seen as existing objectively and independently of the perceiving subject. Realism places one at the other end of the 'reality continuum' where reality is accepted as a product of the cognition of the individual knowing subject.

It is the adoption of compatible epistemological/ontological combinations which funnel researchers into one of two base methodological camps. For Thorpe (1988), 'basically there are only two designs that are

possible in research and these equate to fishing and trawling for data. The fisherman believes that in order to understand what is in the sea, all that you need to do is to pull out one or two of the fish and examine them. By studying how one fish works, he would have a good approximation of how they all work. It is realised that care has to be taken with taxonomics in the sense of finding the relevant variables, but once you have a type, then studying one or two will, it is thought, give tremendous insight into types of all sorts'.

The trawler on the other hand prefers to dredge the ocean to pull out as many fish as he can. Assessment of types is done by correlation, comparison and examination of what has been caught in the trawl'.

Thorpe was using this analogy to underline the basic differences between positivist and normativist based methodologies. For the positivist complex problems, if reduced to their simple component parts, are better understood. Many samples are collected and analysed utilising statistical techniques. Rigor in research requires the testing of hypothesis against multiple observations using statistical tools. The epistemological/ontological combination of such researchers is positivism and external realism. Effectively, external realism views reality as independent of the researcher studying it and positivism views the researchers observations as independent of his/her values and beliefs (value-free knowledge is possible), thus it is the independence, if maintained, which provides the *rigor* of the research. A major propounded benefit deriving from this approach to research is the *potential for generalisation of research findings*.

The epistemological and ontological combination of normativism and subjective realism, on the other hand, suggests that for understanding of variables such as behaviour the researcher must get close and analyse in detail. Normativism is based on the possibility of deriving conclusions expressing a value judgement and thus dismisses the fact-value distinction completely. Subjective realism suggests that each person constructs his own view of reality. Proponents of this combination thus advocate a qualitative approach to research, based on the notion that rigor requires the close and intimate observation that can be given only to a small number of samples at any one time. Such observation does not really permit the independence between researcher and researched, or between fact and value (which positivist external realists attach such importance to). Validity of the research is based on ability to understand in such a way as to attribute meaning and appropriate underlying research techniques are felt to be interview and observation. Analysis is based on relationships from keeping things close.

b) *the potential to move away from over-restrictive traditional philosophical standpoints*

to always find oneself capable of distinguishing between fact and value (of deriving value-free knowledge) is very unlikely - thus a philosophical standpoint of positivism is called into question. Also from an ontological standpoint it is unlikely that the researcher can maintain his/her independence of reality (external realism).

On the other hand one must question whether the researcher will always be capable of constructing his/her view of reality as those views will be coloured by the business internal and external environments - subjective realism is thus also brought into question. Moreover whilst rejecting positivism, this does not naturally lead to acceptance of normativism. On occasions apparent fact-value compartmentalisations could occur in that some value-free knowledge, some degree of objectivity may be possible.

Thus, there appears to be a need in approaching the management research process to avoid the straight-jacketing of traditional philosophical standpoints regarding the nature of reality.

The proponents of the respective research camps are not slow to criticise the opposing camp. Qualitative case study research is criticised as little more than common-sense storytelling, not capable of being tested. Quantitative research is belittled by suggestions that surveys overlook organisation development processes, or randomise out their effects in a sample of organisations, or give other superficial insight. It seems, however, that an alternative philosophical standpoint can accommodate for reduction of these weaknesses, offering potential for differing methodological frameworks. Such a standpoint is *Internal Realism*,

whereby knowledge is viewed as neither value free (positivist), or positioning fact and value as totally indistinguishable (normativism). Moreover, the underlying view of reality rejects the possibility of reality existing independently of our construction of it (external realism), and rejects the notion of each person constructing his/her view of reality (subjective realism).

Instead *internal realism* propounds an inter-subjective view of reality and a non-positivist view of knowledge which offers a *bridge for management researchers* between the 'fisherman' and the 'trawlerman' management research camps. Reality is viewed as an inter-subjective construction of the shared human cognitive apparatus (internal realism) and facts and values as being *intertwined and hard to disentangle*, not indistinguishable as in normativism - both fact and value are thus viewed as being involved in scientific knowledge (non-positivism). Such a philosophical standpoint thus provides the basis for 'methodological rapprochement in terms of the potential for the co-existence of the two different types of research strategy (qualitative and quantitative).

TOWARD A CASE STUDY RESEARCH APPROACH

The philosophical standpoint of internal realism gives additional emphasis to the crucial role *research methods* play in maximising potential for the assertions of research findings to become fact. It focuses one on the significance of *research study design*, highlighting the inevitable theory- and value-laden nature of our observations and thus the need to clearly spell out any underlying values and theories at research design stage (see Archer 1988). For the new researcher, new to small business management research, from a predominantly large company management education background and hoping to conduct a first case study investigation of small business, this is a crucial issue. A lack of foundation insight into small business management, lack of basic research experience and the inherent pitfalls of case study research potentially deteriorating into 'little more than common-sense storytelling' is a difficult base starting point. The earlier review emphasised how he would need to avoid ad hocism in starting a particular management research project, accept and draw upon existing relevant but fragmented research efforts and avoid building upon ill-informed foundations of insight - to this one must add the need to tackle the 'storytelling' weakness of case study research.

The philosophical foundations of internal realism provide focus for the need to *foothold* any new research project in a way that can accommodate spelling out and clarifying of inherent base values of the researcher, the consolidating of any inadequate commencing knowledge-base and the drawing in of existing literature and key informant insight relevant to the chosen area of research. Within the context of an intended case study methodology, a foundation process appears vital which can raise relevant insights for the researcher which are capable in turn of raising crucial issues for investigation in the research - and in such a way which will provide structure for the approaching of the case study businesses.

For Archer (1988) a nascent discipline such as management still only has an explanatory theory which is *'too under-developed to suggest anything at all clear and unambiguous in terms of taxonomic categories and concepts of reference. For these, the researcher is still largely dependent upon concepts which are pre-theoretical in the sense that they derive from taken-for-granted background understandings whose very limitations provide the stimulus for seeking to develop the nascent discipline'*.

Archer suggests the need in management research for what he calls an *epistemological bootstrap*, a type of proto-interpretive theory and effectively an initial partial framework of insights, to be used to read in data and load them with its own assumptions. Crucial insights are contained in this proto-theory, insights which are not really there to be corroborated by withstanding disconfirmation, but rather to be instrumental in raising issues for investigation in the research - these investigated issues themselves produce findings which can be corroborated and achieve factual status.

Whilst Archers initial conceptual framework, this proto-theory, can be *'tentative and hazy'* for *'it at least suffices to set forth initial taxonomic categories and criteria of relevance'*, Wyer (1990) built the role of epistemological bootstrapping more substantially into the actual research process. Archer does not view the role of bootstrapping as part of the research, but rather as a *'process of personal discovery'*, an

essential self-education process in the form of a pre-requisite to research. For Wyer, however, the nature of the shortcomings and pitfalls inherent within management research, and within small business management research in particular, elevate the potential role of partial frameworking to a crucial and integral part of the actual research process - it is certainly as Archer emphasises an individualistic process, but not, as he suggests, an informal process. If the proto-theory is to provide Archer's epistemological bootstrap in the quest to establish facts, then initial formal research may well be essential to consolidate the would-be researchers existing knowledge-base with current occurrences and advances in the field to be researched - both with the world of management practice and with academic advances.

Effectively, then the opportunity exists within small business management research to utilise a research approach of 'epistemological bootstrapping' whereby the extant literature and interface with the world of small business practice is used to build up partial initial frameworks of insight which raise crucial research issues for investigation. Ultimately it is the investigated issues which can be corroborated and achieve factual status, not the actual insights raised by the partial frameworking. The actual issues and research questions which are derived out of the frameworks also make explicit the assumptions inherent within the actual bootstrap framework, whilst also beginning to highlight what must be known first and what is most important (see Archer). Relevant taxonomic categorisations and concepts can be carefully considered and the tendency in small business research toward reductionism where very complex concepts are simplified to the point of reducing or distorting subsequent meaning (Gibb 1992) can be reduced.

A FIRST ATTEMPT AT EPISTEMOLOGICAL BOOTSTRAPPING

Nazri (1996) as an integral part of his Masters course conducted a compulsory research thesis component. He commenced from a broad overall aim of wanting to derive insight into the nature and extent of HRM practices in Malaysian SMI's, but came from a large company oriented management knowledge background.

An initial bootstrapping approach was adopted:

- i) utilising existing literature on management research methodology and interaction with his supervisor, Nazri built up a foundation insight into the major pitfalls and shortcomings in management research. These he utilised as frames of reference for guiding his 'bootstrapping' approach in terms of the role it should and could play.
- ii) the management literature and literature on Malaysian economic development was first drawn upon to firm up on the general context of the chosen area of investigation and to verify the feasibility of his research aim at a general level.
- iii) a more focused analysis of the literature began to highlight existing deficiencies in his 'starting' knowledge-base. The literature was subsequently utilised to:
 - a) define the parameters of the research in terms of what is meant by Small-Medium Size Enterprises - this involved drawing upon the international small business management literature.
 - b) the human resource management knowledge-base was reviewed to produce a conceptualisation of HRM for the purposes of the study
 - c) the small business management literature was analysed to determine key issues to be investigated and to inform the researchers minimal understanding of qualitative characteristics which distinguish the small business from the large organisation. Evidence of effective small business applications of HRM was examined, together with the extent of such applications and any inherent constraints or difficulties associated with owner manager- and or size-related characteristics. The concept of the organisational life-cycle was analysed to allow for consideration of the potential increasing formalisation of HRM activities as the small business grows.

iv) key informants who are considered 'expert' in the field (academics, researchers with expertise in methodology, management practitioners) were utilised to provide enhanced insight to support and/or refute the findings from the literature.

v) guiding sub-frames of insight were built up out of the findings from the literature and from the key informants and consolidated into an overall partial framework to guide the remainder of the research process:

- * the guiding framework allowed for firming up of the overall research objectives and the raising of crucial research issues which could be translated into sub-objectives
- * the nature of the identified detailed sub-objectives of the investigation in turn underlined the value and potential within this research for a case study research approach, given in particular the intention to consider the changing nature of HRM activities within the development cycle of small businesses
- * the sub-frames of insight were then utilised to inform design of a case study interview instrument, in particular with regard to the nature of the research questions and their structuring and ordering; and in relation to the focus of HRM activities to be incorporated in the investigation and terminology to be used during the interface with the small business
- * the bootstrapping in its incorporation of consideration of research methodology literature in turn provided guiding insight into development of 'quality' criteria in terms of validity, stability and significance of the resultant case study findings. Integral to this was the need to identify key interviewees and to adopt a common protocol during the interview stage
- * finally the bootstrap was again utilised in the design and development of a structured analytical framework for analysis of the collected case study data. The subsequent findings of the analysis were then reported in a developed structure form in order to attempt to ensure depth of insight in presentation.

Nazri's research approach enabled him to begin to derive understanding of how even those small businesses constrained by low level resources and lack of sophisticated people management capabilities can strive to develop some level of formality within the area of HRM activity. A crucial insight was how small businesses face HRM problems which relate to their particular organisational context, the capabilities and characteristics (including attitudes and motivations) of the owner-manager, and the profile and abilities of the available workforce. Utilisation of HRM techniques and approaches relevant to the large company has thus to be considered with caution, though the potential for adjustment and adaptation of some of those techniques was also underlined by the research.

One crucial theme running through this paper, however, is the complexity of the actual small business management research process. It seems that the nascent discipline of management requires a continuing and ongoing development of *research skills* if the effective advancement of knowledge is to result. *'Even in an established scientific discipline, research method involves a tacit element of craft skills that have to be learned on the job'* (Archer 1988). Thus it is essential to recognise that advances in knowledge are likely to derive out of acceptance that there is a glove-tight relationship between advance in knowledge and the method of attaining that advance. As such early management research attempts such as those within a Masters level course should be judged as much in terms of the actual progress made by the researcher from his/her point of departure as the actual form and quality of the final research findings - thus progress demonstrated in terms of understanding the shortcomings and pitfalls inherent within different management research approaches, evidence within the study of recognition of the implications of those shortfalls and the progress made from the individuals starting point of research experience and ability are as important as the rigor of the actual outcome of that management research attempt.

As for the potential role of 'epistemological bootstrapping' - of course appropriate and effective research methodology is a matter of 'horses for courses'. Any research methodology must ultimately be developed

in a manner appropriate to the fulfilling of the objectives of a particular study. However, 'bootstrapping' does appear to hold great potential in the footholding of case study research approaches, and can also assist in the informing of design of survey instruments within quantitative research studies.

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